

BUDGET
TOP PRIORITY

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Budget Estimates 2012-13 – Instructions for the preparation of Budget Estimates and submission **on-line** – Issued.

FINANCE (BG) DEPARTMENT

G.O.Ms.No. 234

Dated: 19-10-2011.
Read the following:-

1. G.O.Ms.No.135, Finance & Planning (FW:BG) Department, dt:20.9.2000.
2. G.O.Ms.No.664, Finance (BG) Department, dt: 27.10.2001.
3. G.O.Ms.No.183, Finance (BG.I) Department, dt.30-06-2006.
4. G.O.Ms.No.230, Finance (W&M) Department, dt.15-10-2011.
5. Circular Memo.No.2589-A/743/BG.I/2011, of Finance (BG.I) Department, dt:18-8-2011.

◇ ◇ ◇

ORDER:

According to Para 13.19.1 of the A.P. Budget Manual, the Heads of Departments and other Estimating Officers should prepare their estimates for both receipts and expenditure in duplicate and send one copy direct to the Finance Department, and the other to the Administrative departments of the Secretariat concerned.

RECEIPTS:

2. According to para 13.8 of the AP Budget Manual, the HODs and other Estimating Officers should prepare budget estimates for receipts based on the existing rates of taxes, duties and fees etc., and no increase or reduction in such rates which has not been sanctioned by the Government should be proposed. The information shall be furnished in the enclosed **proforma – A**.

3. All the Heads of Departments and other estimating Officers are requested to furnish proposals for Revised Estimates 2011-12 and Budget Estimates 2012-13 in respect of Revenue Receipts and Loan Receipts with which they are concerned by giving full details of targets fixed as per performance indicators for each department.

EXPENDITURE:

NON – PLAN:

4. According to para 13.9 of the AP Budget Manual, the HODs and Estimating Officers shall make provisions for all sanctioned schemes, but not for schemes of new expenditure which has been submitted to the Government but not yet sanctioned. Information shall be furnished in **proforma-B1**.

5. Experience shows that every year many Departments are furnishing the estimates in a routine manner without examining the need for the continuation of the scheme and justification for the provisions claimed by the Departments. In view of the need to observe strict economy in expenditure, it has been decided to make a thorough review of the budget proposals furnished by the Departments. The Heads of Departments and other Estimating Officers are, therefore, requested to furnish the following information without fail in the column – 6 of **proforma - B1** provided for recording **justification**.

- (a) The objectives of the Scheme or work of the Department;
- (b) Relevance of the programme to the over all objective in the present context;
- (c) The justification for various categories of posts and number of posts in each category as existing in the Scheme or Department; and
- (d) The consequences of its non-funding.

6. All the Heads of Departments and other Estimating Officers are also requested to review the existing Non-Plan Schemes very critically, so that those schemes which do not serve any tangible purpose substantially are dropped or phased out or reduced and surplus staff available there under be reported to Finance (SMPC) Department immediately.

7. (i) The provisions under the concerned detailed heads i.e., standard objects of expenditure shall be included keeping in view the guidelines indicated in references 2nd read above. The provisions for Dearness Allowance, Leave Travel Concession, House Rent Allowances, Encashment of earned leave, Medical Reimbursement etc., shall be included under respective sub-detailed heads under “010 Salaries”.

(ii) The estimates for contingent expenditure shown under “Office Expenses” should be prepared with reference to the instructions laid down in para 13.16 of the A.P. Budget Manual. Details of the items of expenditure included, detailed reasons together with figures should be furnished along with the actuals for the past three years in respect of each item. Proper attention must be paid while estimating water and electricity charges which should take into account pending arrear bills, the increase in tariff rate etc., and provision for the amounts that will become payable in the year. Wherever arrears are included, detailed reasons together with figures would be furnished in the explanatory note.

P L A N :

8. The Heads of Departments and Estimating Officers are requested to see with particular care that provisions relating to schemes included in the Plan for RE 2011-12 and for Budget Estimates 2012-13 are exhibited separately and distinctly under **Plan Estimates**. As the Plan Schemes will also be subjected to pre-budget scrutiny on the lines to be indicated by the Finance Department, the estimates may be prepared with as much care as in the case of non-plan estimates. Provisions proposed for plan expenditure should under no circumstances be mixed up or merged with Non-Plan provisions. Wherever lumpsum provisions are made for Plan schemes in the Budget Estimates 2011-12 for want of details, they should be split up and exhibited under sub-detailed heads under detailed heads of appropriation such as Pay, Allowances under “salaries” etc. The estimates should conform to the ceiling communicated by the Planning Department for Revised Estimates 2011-12 and Budget Estimates 2012-13 (**proforma – B2**).

New Schemes:

9. In the case of new schemes introduced during the year, the dates of introduction and the estimated expenditure for the current year should be mentioned in the remarks column. If provision is included in the Revised Estimates for the current year for any new item of expenditure not provided for in the Budget Estimates of the year it should be clearly stated in the 'Remarks' column whether it has been sanctioned by the competent authority and if so, the number and date of the proceedings sanctioning the expenditure should be quoted in every case (**proforma – B3 – B4**).

Budget Achievements:

10. The quantum of the work done by the Department, the physical targets achieved under the scheme during 2009-10 & 2010-11, the physical targets proposed to be achieved during 2011-12 and 2012-13 (**proforma – C**);

APFRBM Rules, 2006:

11. As per rule 6(1) of APFRBM Rules, 2006 the State Government shall at the time of presenting the Budget make following disclosures as required under Section 10 of APFRBM Act 2005.

- (i) *Form D-7 Statement of Assets (proforma – D).*
- (ii) *Form D-8 Tax Revenues raised but not realized (proforma – E).*
- (iii) *Form D-9 Statement of Miscellaneous liabilities outstanding (proforma – F).*

12. All the Heads of Departments and Estimating Officers are therefore requested to furnish the relevant information in the prescribed proformae appended to this order along with the Budget Estimates 2012-13 invariably as these statements have to be presented to the Legislature.

13. The attention of Estimating Officers is invited to the following special points:

- (i) ***Date of submission of Estimates:*** All estimates should be submitted to the Administrative Departments of the Secretariat concerned with a copy to Finance Department not later than **1st November, 2011**. The Administrative Departments of Secretariat would send the estimates with their comments so as to reach the Finance Department by **8th November, 2011** at the latest. Experience has shown that inspite of clear instructions, the Budget proposals in most of the cases are sent very late. Steps should, therefore, be taken to ensure that the dates prescribed above are strictly adhered to. If estimates are received after **8th November, 2011**, Finance Department will not be able to intimate any changes made in the estimates of Departments as there will not be sufficient time for considering representations against changes effected by this Department.
- (ii) ***Accuracy and authority for estimates:*** It will be the responsibility of the Heads of Departments and other Estimating Officers to see that no omissions or deviations are made in making provisions for any sanctioned scheme or any other item of expenditure covered by sanction of the competent authority for which provision sought to have been made in Part- I of the Budget Estimates (sanctioned item). ***Similarly no provision should be made in Part – I of the Estimates, for any item of expenditure for which no sanction of Government exists.*** Provision should be made

in the Budget Estimates for the coming year for all sanctioned schemes but not for schemes of new service, which have been submitted to Government but not yet sanctioned. It has, however, been observed that the above procedure is not being followed by some Heads of Departments, who have been including provisions in the Budget Estimates for schemes which have not been sanctioned by Government. Certain Departments have also been proposing heavy increases in the existing provisions in the normal budget estimates without obtaining prior sanction of the Government. ***This procedure is irregular.*** The Heads of Departments and other Estimating Officers are requested to observe the instructions in para 13.9 of the Budget Manual scrupulously while submitting the Budget Estimates 2012-13. While minor increases based on trends of actuals and admitted needs may be allowed, increases involving substantial amounts proposed over the existing provisions should be supported by Government orders sanctioning the increase duly enclosing copies of the relevant Government orders. Provision included in the Budget Estimates for the schemes which have not been sanctioned by the Government are liable to be summarily rejected and no correspondence will be entertained on this account.

- (iii) ***Economy:*** The attention of the Heads of Departments and other Estimating Officers is invited to the economy measure orders issued in G.O.Ms.No.230, Finance (DCM-I) Department, dated: 15-10-2011 and they are requested to frame the Revised Estimates 2011-12 and Budget Estimates 2012-13 keeping in view these measures.
- (iv) ***Revised Estimate:*** The Revised Estimate besides enabling the Government to arrive at the approximate closing balance for the current year (that is the opening balance for the next year), are ***prima facie*** the best guide to the coming year's estimates. It is, therefore, essential that Revised Estimates are prepared with great care and are as nearer as possible to the actuals by taking into account the reappropriation/surrenders made during the year 2011-12.
- (v) ***Contract Appointments:*** The Heads of Departments / Estimating Officers shall ensure that sufficient provisions are made under the detailed head " 300- Other Contractual Services" towards payment of remuneration to the persons appointed on contract/outsourcing basis. They are requested to furnish the relevant orders issued by the competent authority for engaging the persons on contract/outsourcing basis while proposing provision in the Budget. They shall also furnish calculation sheet consisting of Rate of contract, period of contract, no. of persons engaged on contract outsourcing and the total amount required towards payment of remuneration in respect of each sanction order based on which they are proposing provision in the Budget.
- (vi) ***Explanations for variations in figures:*** Estimating Officers are requested to furnish brief and clear explanations for material variations between the Budget and Revised Estimates of the current year and the Budget Estimates for coming year both under Receipts and Expenditure. They are informed that in the absence of explanations, any increase of expenditure included in their estimates is liable to be summarily rejected. While submitting the estimates, the variations, if any, between number and designation of the staff for which provision is made in the estimates and those already furnished by the Estimating Officers in the number statements should be explained in detail with reference to the orders sanctioning the additional staff, etc.

- (vii) ***Estimates for Works:*** Provision should be made in Part – I of the Budget for works which have been sanctioned by the Government or the competent authority. All the Chief Engineers are requested to give full information as to whether the works for which provision is included by them in the Revised Estimates 2011-12 are for repairs to the existing buildings etc., or new works or works in progress and whether the works have been sanctioned by the Government or competent authority. The number and date of order sanctioning each work, the amount of estimate both the original and the revised; the total expenditure incurred on the work to the end of the preceding financial year; and the amount required for expenditure during the current year and next year should invariably be given in the remarks accompanying the Budget Estimates. If complete information is not furnished in **proforma- G** prescribed, in the case of any particular work, the provision proposed for will be omitted by the Finance Department.
- (viii) ***The Heads of Departments and other Estimating Officers are requested to furnish Number statements as instructed in the Govt. Circular Memo.No.5th cited under each Plan Scheme for inclusion in Appendix 'A' to the detailed Budget Estimates along with the Budget Estimates for Plan Schemes.***
- (ix) ***The Heads of Departments are requested to ensure that the amounts allocated for supply of uniform to the "Office Subordinates" under the detailed head "250 Clothing, Tentage and Stores" shall be utilized for the same purpose without diverting for other purposes.***
- (x) The Estimates should be prepared only on the basis of existing sanctions and should not provide for any new scheme proposed for the consideration of the Government.
- (xi) ***Exhibition of Heads relating to Suspense:*** The 'Suspense' head consists of two parts viz., "Debits" and "Credits" resulting in a net 'Debit' or 'Credit'. As under the principles of gross budgeting provisions under the suspense head should only be for gross debit excluding credits under the head, the Estimating Officers concerned with Public Works grants and other grants where provision for works expenditure is involved are requested to furnish separate figures sub-head-wise under the two parts 'Debits and 'Credits' and the net outstanding figures at the end of each year under each sub-head.
- (xii) ***Provisions under grants-in-aid:*** Particulars, as per para 13.12.1 of the Andhra Pradesh Budget Manual, should invariably be furnished while sending the estimates. Statement showing details of charges and income of the institution receiving grants-in-aid for the previous years should also be furnished in the prescribed proforma along with the Number Statements showing the staff position, their scales of pay, etc., While furnishing the estimates under grants-in-aid, the Heads of Departments and other Estimating Officers are requested to open the sub-detailed heads "311- Grants-in-aid towards salaries", "312- Other Grants-in-aid" and provide the amounts separately under the above sub-detailed heads of account. In the absence of Number Statements showing the full particulars, scale of pay etc. the estimates under grants-in-aid towards salaries will not be considered.

- (xiii) The provision required for payment of obsequies to the family of the deceased Government Employees shall be made under the sub-detailed head of account 310 - Grants-in-aid -318 – Obsequies Charges”. The provision required for payment of contribution and subsidies shall be made under the detailed heads “320-Contributions and 330 - Subsidies respectively and not under sub detailed head 312 – Other Grants – in-aid”. The provision for creation of capital assets which is to be passed on to the local bodies and other agencies has to be classified under Sub Detailed Head **“319 Grants for creation of Capital Assets”** under the detailed head “310 Grants in aid”.
- (xiv) Provision for maintenance of office vehicles to be made under the Sub Detailed Head **“511 Maintenance of office vehicles”** and the provision for Purchase of new motor vehicles has to be proposed under **“512 Purchase of Motor Vehicles”** under the detailed head 510 Motor Vehicles. However the provision for purchase of motor vehicles shall be supported by specific sanction order from the Government and the provision for maintenance of motor vehicles shall be supported by statement from the Head of Department with regard to the number of vehicles available in the department as on 1-4-2011.
- (xv) All the Utility Payments i.e., Postage, Telephone, Water and Electricity Charges are to be fully provided under respective sub detailed heads 131- Service Postage, Telegram and Telephone Charges, 133 - Water and Electricity Charges under the detailed head 130 - Office Expenses as first charge under non-salary component.
- (xvi) The provision required for payment of “hiring charges of Private Vehicles” shall be made under the sub detailed head “130/134 - Hiring of Private Vehicles” based on the sanction orders. No provision shall be proposed under this head without specific sanction from the government for hiring of private vehicles for the department for a specific period.
- (xvii) Separate estimates shall be sent for providing funds for fixed Travelling Allowance under the new sub detailed head “114 - Fixed Travelling Allowance” in Revised Estimates 2011-12 and Budget Estimates 2012-13 as per instructions issued in this Department Memo.No.16240/642/BG/A1/2002-2, dated 25-11-2002. Similarly requirement for conveyance allowance shall be proposed under “110/115 Conveyance Allowance”.
- (xviii) Where any large provision is proposed in respect of outstanding liabilities or arrear payments, full details should be furnished and the original sanction for incurring such expenditure should invariably be quoted.
- (xix) Where any expenditure is dependent on finance from outside the State like Government of India, NABARD , Life Insurance Corporation, Central Warehousing corporation etc., estimates should be based only on the last year’s actual release to State or on the basis of actual need whichever is lower and not on hypothetically assumed figures. In such cases, it is necessary to indicate specifically whether the entire amount or only a part of the amount is reimbursable from these agencies and whether this amount has been taken credit in their estimates of Revenue.

- (xx) ***Scrutiny of estimates by the Administrative Department of Secretariat:*** The Administrative Departments of Secretariat are requested to scrutinize the estimates of the Departments under their control and forward to this Department with their comments thereon. The object of examination by the Administrative Departments is to detect excessive or inadequate provision in the Revised Estimates and Budget Estimates which they are in a position to do in the better way in view of their more intimate knowledge of working of the Departments under their administrative control.
- (xxi) ***The Departments are requested to send proposals for Revised Estimates 2011-12 and Budget Estimates 2012-13 rounding of the figures to the nearest thousand of rupees against each sub-detailed head.***
- (xxii) The Heads of Departments are requested to send their proposals promptly particularly in respect of **recoveries of loans and interest receipts**. They should send proposals for recoveries and disbursements under loans and advances and interest thereon based on the terms and conditions, imposed in the Government orders sanctioning the loans.

14. **On-Line Submission:** The procedure for submission of number statements has been changed to the online system vide reference 5th cited. The budget proposals sought for 2012-13 through this circular shall also be furnished by all departments through the online facility only. All Heads of Departments and other Estimating Officers are requested to visit Finance Department web-site on the Internet using the URL: <http://www.apfinance.gov.in/> and “click” on the web-link “Finance Department Portal” provided in the home-page. Then follow the steps given below:

- This link will open “Finance Department Portal” web-page
- The User-ID and Password were already provided for submission of Number Statement.
- Please Log-in using the same User-ID and Password. Please enter them correctly and Log-in into application.
- A menu item “Budget Proposals-12-13” is displayed in the Menu Bar.
- Select the respective Non-Plan and Plan items along with concern Head of Accounts and enter the data.
- Saving of data can be done any point of time using ‘SAVE’ button.
- After completion of entries final submission to Finance department can be done using ‘Final Submit’ in the menu bar and the using the appropriate menu items.
- Deletion of entries can be done before Final Submission.
- After final submission no more deleting is allowed.
- Take the print-out after final submission and Signed & Stamped copies must be sent to Finance Department.

- **Note:** Only print-outs taken from the on-line system should be sent to the Administrative department concerned and to Finance department with Signature & Stamp. Later Administrative Department should send the estimates with comments to Finance Department.
- Any further instructions can be seen on-line.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PUSHPA SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT

To
All Heads of Departments and Estimating Officers.
All Departments of Secretariat.
The Registrar, High Court of A.P. Hyderabad.
The Principal Secretary to Governor, Raj Bhavan, Hyderabad.
The Registrar, A.P. Administrative Tribunal, Hyderabad.
The Registrar, Lok Ayukta, Hyderabad.
The Secretary, APPSC, Hyderabad.
Copy to All Expenditure Sections, O.P.I, O.P.II, Admn.I&II and Pension I Section.
Copy to General Administration (I&PR) Department.
SF/SC.

//FORWARDED :: BY ORDER//

SECTION OFFICER

Proforma - A**RECEIPTS**

Name of the HOD :

Administrative Department of Secretariat :

(Rupees in thousands)

Major head, Sub-Major head Minor head, Sub-head and Detailed head of Account	Accounts 2010-11	Budget Estimates 2011-12	Revised Estimates 2011-12	Budget Estimates 2012-13
(1)	(2)	(3)	(4)	(5)

Proforma - B1

**EXPENDITURE
NON-PLAN**

Demand No._____

Name of the HOD :

Administrative Department of Secretariat :

(Rupees in thousands)

Major head, Sub-Major head Minor head, Sub-head Detailed head and Sub-detailed head of Appropriation	Accounts 2010-11	Budget Estimates 2011-12	Revised Estimates 2011-12	Budget Estimates 2012-13	Justification
(1)	(2)	(3)	(4)	(5)	(6)

Details
S.H.(XX)
010

Proforma - B2**EXPENDITURE
PLAN****Demand No.**_____

Name of the HOD :

Administrative Department of Secretariat :

Name of the Plan Scheme :

(Rupees in thousands)

Major head, Sub-Major head Minor head Group Sub-head, Sub-head Detailed head and Sub- detailed head of Appropriation	Accounts 2010-11	Budget Estimates 2011-12	Revised Estimates 2011-12	Budget Estimates 2012-13	Justification
(1)	(2)	(3)	(4)	(5)	(6)

Details
S.H.(XX)
010

**EXPENDITURE FOR NEW SCHEMES
NON-PLAN**

Demand No. _____

Name of the HOD :

Administrative Department of Secretariat :

Name of the New Non-Plan Scheme :

(Rupees in thousands)

Major head, Sub-Major head Minor head, Detailed head and Sub-detailed head of Appropriation	Accounts 2010-11	Budget Estimates 2011-12	Revised Estimates 2011-12	Budget Estimates 2012-13	Justification
(1)	(2)	(3)	(4)	(5)	(6)

Details

S.H.(XX) Sub-heads will be indicated by Finance Department.
010

Note: Indicate G.O Number and date of the new scheme sanctioned.

EXPENDITURE FOR NEW SCHEMES PLAN

Demand No._____

Name of the HOD :

Administrative Department of Secretariat :

Name of the New Plan Scheme :

(Rupees in thousands)

Major head, Sub-Major head Minor head, Group Sub-head Detailed head and Sub-detailed head of Appropriation	Accounts 2010-11	Budget Estimates 2011-12	Revised Estimates 2011-12	Budget Estimates 2012-13	Justification
(1)	(2)	(3)	(4)	(5)	(6)

Details

S.H.(XX) Sub-heads will be indicated by Finance Department.
010

Note: Indicate G.O Number and date of the new scheme sanctioned.

Proforma - C**PROFORMA FOR FURNISHING INFORMATION ON PHYSICAL TARGETS AND
ACHIEVEMENTS****Name of the HOD :****Administrative Department of Secretariat:**

Name of the Scheme	Physical Targets fixed		Physical Targets Achieved		Physical Targets Proposed		Remarks
	2009-10	2010-11	2009-10	2010-11	2011-12	2012-13	

FORM D - 7
[See rule 6]

STATEMENT OF ASSETS

	Assets at the beginning of the reporting year	Assets acquired during the reporting year	Cumulative total of assets at the end of the reporting year
	Book Value (Rs. cr.)	Book Value (Rs. cr.)	Book Value (Rs. cr.)
Financial assets:			
Loans and advances			
Loans to Local Bodies			
Loans to companies			
Loans to others			
Equity Investment			
Shares			
Bonus shares			
Investments in GoI dated securities/Treasury Bills			
Investments in 14-day Intermediate Treasury Bills			
Other financial investments (please specify)			
Total			
Physical assets:			
Land			
Building – Office/Residential			
Roads			
Bridges			
Irrigation Projects			
Power projects			
Other capital projects			
Machinery & Equipment			
Office Equipment			
Vehicles			
Total			

Notes:

1. Assets above the threshold value of Rupees two lakh only to be recorded.
2. Reporting year refers to the second year preceding the year for which the annual financial statement and demands for grants are presented.
3. The Statement in respect of physical assets is to be prepared based on asset register maintained by the Government. The value to be indicated would be book-value, i.e. acquisition cost netted for depreciation/impairment.

Form D - 8
[See rule 6]
TAX REVENUES RAISED BUT NOT REALISED
(principal taxes)

(As at the end of the reporting year)

		Amount under disputes					Amount not under disputes					Grand Total
		(Rs. crore)					(Rs. crore)					
Major Head	Description	Over 1 year but less than two years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	Total	Over 1 year but less than two years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	Total	
	Taxes on Income & Expenditure											
	Agricultural Income Tax											
	Taxes on Professions, Trades, callings and employment											
	Taxes on Property and capital Services											
	Land Revenue											
	Stamps and Registration fees											
	Urban immovable property tax											
	Taxes on Commodities and Services											
	Sales Tax											
	Central Sales Tax											
	Sales Tax on Motor Spirit and Lubricants											
	Surcharge on Sales Tax											
	State Excise											
	Taxes on Vehicles											
	Other Taxes											
	TOTAL											

Note : Reporting year refers to the second year preceding the year for which the annual financial statement and demands for grants are presented.

Form D - 9
[See rule 6]
Statement of Miscellaneous Liabilities: Outstanding

(Rs. crore)

	Outstanding Amount\$
Major Works and Contracts	
Committed liabilities in respect of land acquisition charges	
Claims in respect of unpaid bills on works and supplies	

\$ The outstanding amount pertains to the end-March position for the year before the current year.

Proforma - G**PROFORMA FOR FURNISHING OF BUDGET ESTIMATES FOR MINOR WORKS AND MAJOR WORKS****1. MINOR WORKS***(Rupees in thousands)*

Description of Work	Estimated cost	Expenditure to the end of previous year	Budget Estimate 2012-13	Remarks <i>(whether sketch plans and approximate estimates have been prepared and approved by competent authority)</i>
1	2	3	4	5
	Rs.	Rs.	Rs.	

2. MAJOR WORKS*(Rupees in thousands)*

Name of Work	Estimated cost	Expenditure to end of previous year	Budget Estimate of current year	Revised Estimate of Current year	Budget estimate of ensuring year	Remarks
1	2	3	4	5	6	7
	Rs.	Rs.	Rs.	Rs.	Rs.	